

# WITNESS REBUTS MITCHELL ACCOUNT

## Ex-White House Aide Says He Was Told to Stay Out of the Vesco Matter

By MARTIN ARNOLD

Daniel Hofgren, a former White House aide, testified yesterday that he had asked John N. Mitchell if he had had a meeting with Robert L. Vesco on the financier's problems and was told, "You stay away from that."

He added, "When John Mitchell says, 'You stay away from it,' I stay away from it." The line evoked a loud laugh from Mr. Mitchell.

Mr. Hofgren then said that the following day he told Maurice H. Stans that "I had run into Mr. Mitchell and that Mitchell said, 'Stay away from the Vesco matter,' and Mr. Stans replied, 'O.K., we'll take care of it in another way.'"

Mr. Hofgren's testimony went to the heart of one of the perjury counts against Mr. Mitchell, the former Attorney General, who had testified before a grand jury on April 24, 1973, that he "never told Mr. Hofgren to stay away from anything."

### Other Witnesses

Other developments yesterday relating to the conspiracy charges against Mr. Mitchell and Mr. Stans were as follows:

Hugh W. Sloan Jr., another former White House aide, testified that a record of Mr. Vesco's secret \$200,000 contribution to President Nixon's re-election campaign was destroyed at Mr. Stans's behest.

W. Mark Felt, former second in command of the Federal Bureau of Investigation, testified that Mr. Mitchell, when he was Attorney General, used the F.B.I.'s overseas personnel to intercede on behalf of Mr. Vesco who was in a Swiss jail following a suit by

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The New York Times/Martin Church  
Peter Fleming Jr., right, lawyer for John N. Mitchell, cross-examining Daniel Hofgren, a former White House aide, at the Mitchell-Stans trial here yesterday.

# Witness Rebuts Mitchell About Vesco Involvement

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stockholders. But the bulk of the day was devoted to Mr. Hofgren, a tall, plump, well-manicured man, whose dark hair was slicked down and parted in the middle, in the manner of a Scott Fitzgerald figure. The prosecution witness is now an investment banker.

Mr. Mitchell and Mr. Stans, who were both leaders of the Nixon re-election campaign, are accused of perjury, obstruction of justice and conspiracy for allegedly attempting to impede a Securities and Exchange Commission investigation of Mr. Vesco in return for the \$200,000 cash contribution.

It was Mr. Hofgren, at the time a fund-raiser for the 1972 Nixon campaign, who had a chance meeting aboard an airliner early in 1972 with a Vesco associate, and suggested to the associate that Mr. Vesco, who is now a fugitive, might want to make a substantial contribution to the campaign. It was from that meeting that this criminal conspiracy trial developed.

Mr. Hofgren testified that as a result of that meeting Mr. Vesco set up a meeting with Mr. Stans for March 8, 1972, and the latter said that the Nixon campaign needed to raise \$40-million that year because in 1968 the Nixon campaign had cost \$30-million and "inflation had set in." The Nixon campaign actually raised \$60-million in 1972.

Mr. Hofgren said that Mr. Vesco responded that he wanted to be a large contributor, but that he had "a particular problem," and that problem was that he was being investigated by the S.E.C. The witness said Mr. Vesco then told Mr. Stans that he wanted a meeting with William J. Casey, then chairman of the S.E.C. to discuss the case.

"Well, I think Mr. Mitchell can handle that," the witness quoted Mr. Stans as telling Mr. Hofgren.

So far, there has been no direct testimony on whether Mr. Mitchell saw Mr. Vesco that day. But the witness said that Mr. Stans had told Mr. Vesco that Mr. Mitchell was ready to see him.

That evening, according to Mr. Hofgren, he went to a fund-raising dinner at the Washington Hilton and saw Mr. Mitchell in the lobby.

"I recall going up to him and saying, 'Did you see Mr. Vesco?'" Mr. Hofgren testified. "And he turned around and said, 'You stay away from that,' and that was the sum and substance of my conversation."

When he repeated that conversation to Mr. Stans, the witness said, Mr. Stans had "said something to the effect, 'O.K., we will take care of it in another way. We will handle it in another way.'"

Mr. Hofgren, who worked for Mr. Stans as a fund-raiser, testified that even before the March 8 Stans-Vesco meeting Mr. Vesco's name kept coming up at the campaign finance headquarters, and Mr. Stans said, "Well, we should talk to John Mitchell about that, or something to that effect."

### Tells of Ride With Mitchell

On one other occasion, Mr. Hofgren spoke to Mr. Mitchell about Mr. Vesco, the witness testified. He said that on either Nov. 29 or Nov. 30, 1972, he met Mr. Mitchell at the Washington airport and Mr. Mitchell offered him a ride into town.

"In the course of sitting there in the back seat of the car I was reading a newspaper, and I said, 'Jesus, this Vesco is something' and he turned and mumbled something, 'I guess he is a crook,' and that was the total sum of the conversation."

Under cross-examination, Peter Fleming Jr., one of Mr. Mitchell's attorneys, immediately began a hard attack on the witness's credibility.

He said that when Mr. Hofgren had first testified before a grand jury he said that he spoke to Mr. Mitchell about Mr. Vesco on March 6, not March 8.

"I was nervous and made a mistake, Mr. Fleming," the witness said. "I corrected it in my second grand jury."

Mr. Fleming also contended that Mr. Hofgren had testified that he asked Mr. Mitchell a somewhat different question about Mr. Vesco, and that he had asked him in a different place even. Finally the defense attorney ended his cross-examination with "Be a good boy."

Mr. Sloan, who had served

as treasurer of the re-election campaign, testified that he had kept a record in a ledger book of all the large contributions that came into the campaign office.

Sometime after April 7, 1972, Mr. Sloan testified, he had a conversation in Mr. Stans's office.

"He gave me, as I recall it, a bank bag, a white bag, and indicated that there were some \$200,000," Mr. Sloan said. "He asked me to count it and verify it, and place it in the safe."

"Whether in response to my question or whether he volunteered it as to who it was from, he simply told me John Mitchell wanted it listed under the initials JM for the time being," Mr. Sloan testified.

Questioned by James Rayhill, a prosecutor, Mr. Sloan was asked about a meeting with Mr. Stans in which they discussed Mr. Sloan's final cash summary list, and the \$200,000 item with the initials J M.

"At that point, he [Stans] indicated to me that 'you have a mistake there' and I said, 'Well, that's what my records show,'" the witness said.

Mr. Sloan added that Mr. Stans had "instructed me to leave the \$200,000 under the initials J M." The witness said that he did not ask Mr. Stans who the contributor was.

There came a time, Mr. Sloan said, that he destroyed his cash record book "pursuant to my understanding of Secretary Stans' instructions to me that he wanted only a single copy of this information."

### Charges Against Stans

Mr. Sloan's testimony related to a section of the conspiracy charge that alleged that Mr. Stans concealed the origin of the Vesco contribution from members of the Finance Committee staff, caused incomplete records to be made, subsequently caused such records to be destroyed, and finally caused false and fraudulent reports to be filed with the General Accounting Office to conceal the Vesco cash contribution and the uses to which it was put.

"At that point, he [Stans] in session, Paul J. Curran, the United States Attorney for the Southern District, walked into the courtroom during a recess, huddled with the four prosecutors and then walked to the chambers of Judge Lee P. Gagliardi, who is presiding, for a conference.

Defense attorneys were summoned to that conference, which lasted 65 minutes. The transcript of that conference was sealed.

Judge Gagliardi told the prosecutors, in the absence of the jury, "I will take care of that matter before the evening is out and report to you on Monday morning the results that I have had and we will be ready to go on at 9:45 on Monday morning."

On that mystery, the day concluded.